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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
ASPEN RIDGE SUBDIVISION**

MARGARET SEYMOUR
REGISTER OF DEEDS
LENOIR COUNTY

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this 11th day of October, 2001, between KINSTON REALTY GROUP, INC. and JARMAN CONSTRUCTION COMPANY, INC. (hereinafter "Declarants"), and ALL PROSPECTIVE PURCHASERS OR OWNERS of the hereinafter described property.

WITNESSETH:

THAT WHEREAS, Declarants are the owners of certain property located in Trent Township, Lenoir County, North Carolina, to be known as "Aspen Ridge Subdivision," which is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference; and,

WHEREAS, Declarants desire to provide for the preservation of the values and amenities and the desirability and attractiveness of said property, and for the continued maintenance and operation of any common area; and,

WHEREAS, it is in the best interest of Declarants and to the benefit, interest and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the property be established; and,

WHEREAS, Declarants wish to subject said property to the covenants, conditions and restrictions herein contained.

NOW, THEREFORE, in consideration of the premises, Declarants agree with all parties hereafter acquiring any of the property hereinafter described, that it shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens relating to the use and occupancy thereof, which shall be construed as covenants

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running with the land and which shall be binding on all parties acquiring any right, title or interest in any of the properties and which shall inure to the benefit of each owner thereof.

**ARTICLE I
PROPERTIES SUBJECT TO THIS DECLARATION**

The property which shall be subject to this Declaration is located in the County of Lenoir, State of North Carolina, and is more particularly described as being the property described on Exhibit "A" attached hereto and incorporated herein by reference.

**ARTICLE II
DEFINITIONS**

Section 1. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation.

Section 2. "Declarants" shall mean and refer to Kinston Realty Group, Inc. and Jarman Construction Company, Inc., their successors and assigns.

Section 3. "Association" shall mean and refer to Aspen Ridge Homeowners' Association, Inc. its successors and assigns.

Section 4. "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5. "Lot" shall mean and refer to any of Lots 1 through 37, inclusive, identified on Exhibit "A" attached hereto and incorporated herein by reference.

Section 6. "Common Area" shall mean Lot 38 identified on the attached Exhibit "A."

Section 7. "Period of Declarants Control" means the period commencing on the date hereof and continuing until the earlier of (i) five (5) years after the date of the first conveyance of a Lot to an Owner other than the Declarants; (ii) 120 days after conveyance of seventy-five percent (75%) of the Lots to a Lot Owner other than Declarants; (iii) two years after Declarants have ceased to offer Lots for sale in the ordinary course of business;

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or (iv) the date upon which Declarants voluntarily surrender any control rights arising under this Declaration.

**ARTICLE III
PROPERTY RIGHTS**

Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and use of the recreational facilities by an Owner for any period during which any assessment against that Owner's Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

**ARTICLE IV
OWNERS ASSOCIATION
MEMBERSHIP AND VOTING RIGHTS**

Section 1. Owners Association. A corporation named Aspen Ridge Homeowners' Association, Inc. (hereinafter the "Association") has been or will be formed pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the Owners of Lots. Its purposes are to own, manage, maintain, and operate the Common Area and facilities located upon the Common

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Area; to enforce the restrictions contained herein; and to make and enforce rules and regulations governing the Owners' use of the Common Area and occupation of Lots.

Section 2. Membership in Association. Each Owner of a Lot shall be a member of the Association. The Declarants, by this Declaration, and the Owners of Lots by their acceptance of individual deeds thereto, covenant and agree with respect to the Association:

1. That for so long as each is an Owner of a Lot, each will perform all acts necessary to remain in good and current standing as a member of the Association.
2. That each shall be subject to the rules and regulations of the Association; and
3. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 3. Voting Rights. The Association shall have one class of members who shall be all Owners. Each member shall be entitled to one vote for each Lot owned; provided, however, when more than one person holds an interest in any Lot, all such persons shall be members and, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote or any fraction of a vote be cast with respect to any Lot.

Section 4. Special Declarants Rights. Any other provision of this Declaration notwithstanding, Declarants do hereby reserve for the Period of Declarants Control, the right and power to appoint and remove any executive board members; provided however, not later than the conveyance of 75% of the Lots to Owners other than the Declarants, not less than 33% of the members of the executive board shall be elected by Owners other than the Declarants.

**ARTICLE V
MANAGEMENT AND ADMINISTRATION**

The management and administration of the affairs of the Common Area shall be the sole right and responsibility of the Association. The management shall be carried out in

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accordance with the terms and conditions of these Restrictions, the Articles and the Bylaws of the Association, but may be delegated or contracted to managers or management services.

**ARTICLE VI
COVENANT FOR MAINTENANCE ASSESSMENTS**

Section 1. Creation of Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be to promote the recreation, health, safety, and welfare of the residents in the Properties and to defray expenses for improvements and maintenance and for taxes and insurance associated with the Common Area. In no event shall the Association bear any expenses associated with any Lot.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred and No/100 Dollars (\$100.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of the membership.

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(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 10% only by a vote of two-thirds (2/3) of each class of members who are voting, in person or by proxy, at a meeting duly called for this purpose.

(c) The Association may fix the annual assessment at an amount not in excess of the maximum, and shall fix the payment date of said assessment.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting, in person or by proxy, at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the previously scheduled meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, at the discretion of the Association.

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Section 7. Due Dates for Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot shall be binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Lot.

Section 9. Priority Status of Lien. The lien of any of the assessments provided for herein shall be subordinate to the lien of any mortgage. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exemption for Builders. Any Owner who takes title to an undeveloped Lot for the sole purpose of constructing a residence for sale shall be exempt from any

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obligation for annual or special assessments until such time as construction is completed and a certificate of occupancy issued for such Lot by the appropriate governmental authority.

**ARTICLE VII
MAINTENANCE AND GROUNDS**

The Association shall be responsible for providing maintenance upon the Common Area and for improvements, repairs and replacements to the personal property and structures situated upon the Common Area.

In the event that the need for maintenance or repairs of the Common Area or the improvements thereon is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of licensees or invitees of an Owner, the cost of such repair or maintenance shall be added to and become part of the assessment to such Owner's Lot.

**ARTICLE VIII
INSURANCE OBLIGATION OF OWNERS**

Each Owner shall obtain fire, extended coverage and liability insurance to the full replacement value of all buildings constructed on such Owner's Lot. The Association shall have no responsibility to provide such extended coverage and liability insurance with respect to any buildings constructed on any Lot.

**ARTICLE IX
EASEMENTS**

Section 1. Utilities. Easements for installation and maintenance of utilities and drainage facilities may be reserved as shown on a recorded plat of the Properties. Within any such easement, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Further, the Declarants reserve an easement and right of way over the streets and roadways shown on a recorded plat

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of the Properties for drainage, for the installation of utilities and services and for such other purposes as the Declarants deem incident and appropriate to the overall development of the Properties.

Section 2. Roads. Each owner of any Lot within the Properties, as an appurtenance to such Lot, shall have and is hereby conveyed a perpetual, non-exclusive right-of-way and easement for the purposes of ingress, egress and regress to and from said Lot over, through and across the streets and roads shown on the recorded plat.

Section 3. Declarant's Easements. The Owner of each Lot, by acceptance of a deed thereto, grants to Declarants, their successors and assigns, perpetual non-exclusive access and utility easement located along the streets and roads, utility lines, waterlines and sewage lines presently existing or shown on the aforesaid plat. Such easements are non-exclusive and are for the purpose of providing utilities, water, sewage service and access to the properties. Without limiting the generality of the foregoing, Declarants reserve an easement over all the streets and roads depicted on the foregoing plat and in all utility lines located within the area described on said plat for the purposes of ingress, egress, access and utilities to all the Properties.

ARTICLE X GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be altered, modified, changed or amended at any time by a written instrument signed by not less than two thirds (2/3) of the Lot Owners. Any amendment must be properly recorded in the office of the Register of Deeds of Lenoir County.

Section 4. Annexation. Additional residential properties and Common Areas adjacent to the Properties described herein or adjacent to property having been previously annexed hereto may be annexed to the Properties and brought within the purview of this Declaration by the Declarants at any time.

ARTICLE XI USE RESTRICTIONS

Section 1. Rules and Regulations. The Association shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Properties. The Lots shall be used for residential purposes and for purposes incidental or accessory thereto.

Section 3. Building Type. No building on any of the Lots shall be used except for residential purposes. No structure shall be erected, altered, placed, or permitted to remain

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on any Lot other than one detached single family residence not to exceed two and one-half (2½) stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupants only, and such other outbuildings as may be reasonably appurtenant to the dwelling, provided that the same are constructed in line with the general architectural design and construction standards used in the dwelling itself. This covenant shall not be construed to prohibit the use of a new single family dwelling as a model home for sale purposes.

Section 4. Nuisances. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may or may become a nuisance or annoyance to the neighborhood.

Section 5. Temporary Structures. Except as set forth, no trailer, tent, shack, barn or other out building shall be erected or placed on any Lot.

Section 6. Satellite Antennas, Dishes and Other Antennas.

(a) A ground mounted conventional or satellite television or radio antenna or dish may be placed on a lot in the rear yard only, provided that such is located no closer than 10 feet from any side lot line and no closer than 15 feet from any rear line or boundary of any utility or drainage easement.

(b) Satellite dishes, antennas or microwave dishes, not exceeding 18" in diameter, may be mounted or installed only on the rear of the dwelling, garage or other outbuilding so as not to be visible from the street.

(c) The color of any satellite television antennas or dishes shall be dull dark brown, dull black or dull forest green and may be repainted only with the original colors.

Section 7. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may

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be kept or maintained, provided that they are not kept, bred or maintained for commercial purposes and are at all times properly leashed or confined in a fenced area.

Section 8. Signs. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one (1) square foot parallel to the building line, one sign of not more than three (3) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

Section 9. Garbage and Refuse Disposal. No portion of the Properties shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. Garbage cans shall not be permitted to remain in the front yard except for normal garbage pickup.

Section 10. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded corner, from the intersection of the street lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain in rights of way within such sight distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 11. Storage of Vehicles. Vehicles parked as a result of failure to operate properly and/or not legally allowed to operate on public roads are strictly prohibited and shall be removed promptly at the expense of the owner of the Lot. No recreational vehicle, boat or trailer may be stored in any front yard. No trucks or vehicles, commercial or noncommercial, in excess of one ton load capacity shall be parked or permitted to remain on or in front of any Lot or the Common Area.

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Section 12. Facing. Asbestos siding, concrete block or cinder block shall not be used as the exterior facing of any building or structure except for decorative purposes composing not more than ten percent (10%) of the surface of an elevation.

Section 13. Dwelling Quality and Size. The ground floor area of the main structure, exclusive of one-story open porches and garages, shall be not less than 1,000 square feet for a one-story dwelling, nor less than 700 square feet for a dwelling of more than one story. The total living area for a dwelling of more than one story shall not be less than 1,000 square feet.

Section 14. Building Location. No building shall be located on any corner Lot nearer than 35 feet to the front line nor nearer than 17.5 feet to any side street line. Where a corner Lot is involved, "front lot line" shall be deemed to be that line toward which the main structure fronts. No building shall be located with respect to side Lot lines so as to be nearer than 8 feet to either such line. No dwelling shall be located on any interior Lot nearer than 35 feet to the front Lot line nor nearer than 10 feet to the rear Lot line and no garage or other permitted accessory building shall be located nearer than 10 feet to the rear Lot line. For the purposes of this covenant, eaves, steps and open porches shall not be considered as part of a building provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another lot. An error of not more than ten percent (10%) in the location of a building on the Lot with respect to the minimum set back lines shall not be considered a violation of this covenant.

Section 15. Erection of Fences. No fences over five (5) feet in height shall be constructed except between the back building line of the house and the back Lot line. No fence shall be erected between the back building line of the house and the street right of way line unless such fence shall be of an ornamental nature. Brick and split-rail fences shall be deemed to meet the requirements of this restriction. Surrounding grounds must be mowed and edged and fences maintained in a proper order at all times by the Owner.

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Section 16. Appearance. All fireplace chimneys shall be masonry construction. Communication towers are expressly prohibited. Stick-built homes are expressly required; that is, no prefabricated, modular, manufactured or mobile homes are permitted on any Lot. All primary fuel storage tanks must be placed underground. Clotheslines shall be permitted only in the rear portion of a Lot behind the dwelling not to extend beyond the sidelines of the dwelling.

Section 17. Street Lights. Declarants reserve the right to subject the Properties to contract with Carolina Power & Light Company for the installation of street lighting which requires a continuing monthly payment to Carolina Power & Light Company by each residential customer.

IN WITNESS WHEREOF, the undersigned have executed this Declaration as of the day and year first above written.

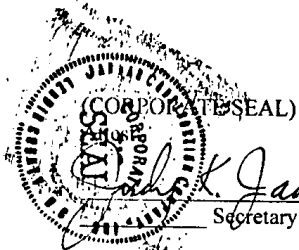


KINSTON REALTY GROUP, INC.

By: Debra M. West
President

Debra M. West
Secretary

JARMAN CONSTRUCTION COMPANY, INC.



By: William J. Jarman
President

William J. Jarman
Secretary

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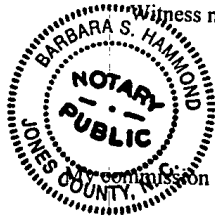
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STATE OF NORTH CAROLINA

COUNTY OF LENOIR

Personally came before me this day Gloria M. West and acknowledged that he/she is Secretary of KINSTON REALTY GROUP, INC., a corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by him/herself as its _____ Secretary.

Witness my hand and Notarial Seal this 11th day of October, 2001.



Barbara S. Hammond
Notary Public

Commission expires: 11-7-05

STATE OF NORTH CAROLINA

COUNTY OF LENOIR

Personally came before me this day Judy K. Jarman and acknowledged that he/she is Secretary of JARMAN CONSTRUCTION COMPANY, INC., a corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by him/herself as its _____ Secretary.

Witness my hand and Notarial Seal this 11th day of October, 2001.



Barbara S. Hammond
Notary Public

Commission expires: 11-7-05

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EXHIBIT "A"

ATTACHMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF ASPEN RIDGE SUBDIVISION

BEING all of Lots 1 through 38, inclusive, as depicted on that certain plat entitled "Map for Record of Aspen Ridge Subdivision" prepared by Atlantic Surveying, P.A., and recorded in Plat Cabinet 7, Page 283, Lenoir County Registry, reference to which is hereby made for a more complete description.

RFLUAR10-01\EXHIBITA

NORTH CAROLINA: LENOIR COUNTY
The foregoing certificates of Barbara S. Hammond N. P. of Jones County
and _____ N. P. of _____
are certified to be correct.
Filed for registration at 2:06 o'clock P M this 13 day of October, 2001
By Margaret Seymour
MARGARET SEYMOUR Register of Deeds